

Albert Lea Area Schools  
Albert Lea Minnesota  
SCHOOL BOARD MEETING  
5:00 PM, February 17, 2026  
Brookside Education Center

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Members Present: Gary Schindler as acting Chair, Mary Jo Dorman, Angie Hoffman, Neal Skaar, Kim Nelson, and Davy Villarreal  
Board members present by Google Meet: Dave Klatt  
Community/Staff Attendance: 35 members present.  
Admin present: Superintendent Heil

Motion by Skaar/Nelson to approve the agenda as presented. Superintendent Heil requested that Dani Bryant's name be removed from the movement list under consent. Motion carried 7-0

Motion by Dorman/Nelson to approve the donations as presented by Executive Director Durbahn. Motion carried 7-0

Motion by Hoffman/Nelson to approve the consent items as presented. Director Villarreal will abstain. Motion carried 6-0

### **Curriculum and Instruction**

Presentation by Alissa Sauer for 6th & 7th Grade New York Trip March 15-18, 2027. Motion by Hoffman/Skaar to accept the major magnitude field trip. Motion carried 7-0

### **Effective and Efficient Operations**

Presentation by Executive Director Tonya Franks and Janet Serrano on American Indian Parent Advisory committee Annual Compliance Vote. AIPAC (American Indian Parent Advisory Committee) supports the planning and implementation of statutory requirements for American Indian Education Aid. The committee provides a voice for American Indian students and families, focusing on academic achievement, cultural relevance, positive self-image, intercultural awareness, and support of state and federal educational programs.

Presentation of the FY26 Revised Budget by Executive Director Paul Durbahn. reported that the District is managing expenditures responsibly and is currently in a stable financial position. The total revised General Fund budget for FY26 is \$59,745,253, which aligns with the revised budget spreadsheet provided to the Board.

However, the District continues to experience declining enrollment, which is resulting in reduced revenue. While the state funding formula includes increases, those increases are not keeping pace with the revenue loss associated with enrollment declines.

The projected General Fund balance for FY26 is approximately 11.96%. This falls slightly below the Board's policy target of maintaining a 12% fund balance. Although the District maintains a relatively strong fund balance, the trend is downward.

Motion carried by Skaar/Hoffman to accept the FY26 revised budget as presented. Motion carried 7-0

Executive Director Paul Durbahn also presented on the District's Financial Projections. The District developed a multi-year forecast using the following assumptions:

- Annual expenditure increases ranging from 2% to 3.5%
- Health insurance increases of 7.5% (consistent with contractual language)
- Inflation projections based on CPI trends

Based on these projections and continued enrollment decline, the administration recommends establishing future expenditure reduction targets to maintain a stable fund balance:

- FY27: \$2.6 million reduction
- FY28: \$2.25 million reduction
- FY29: \$2.0 million reduction

These recommended reductions are proactive and intended to preserve fund balance levels amid declining revenue and funding uncertainties. The District is not currently in a deficit position; however, adjustments will be necessary to maintain long-term financial stability.

#### Next Steps

If approved, the Board would establish the proposed reduction targets. Administration will return with recommendations outlining potential adjustments and options for Board consideration. Final FY26 and preliminary FY27 budgets will be reviewed in June.

Executive Director Ashley Mattson presented the third and final reading of Policy 610, Field Trips to Replace Policy 10190 K-12 Student Field Trips (Major Magnitude). Motion by Nelson/Klatt to approve as presented. Motion carried 7-0

Motion by Nelson/Villarreal to go into closed session at 6:30 pm, pursuant to Minn. Stat. sec 13D.03 - Labor Negotiations. Motion carried 7-0

Dave Klatt stopped joining by Google Meet

Motion by Nelson/Skaar to go back into regular session at 7:05 pm

Motion by Hoffman/Skaar to approve Albert Lea Schools Executive Administrative Assistants Association 2025-27 Master Agreement. Motion carried 6-0

Motion by Nelson/Villarreal to adjourn the meeting at 7:07 pm

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Chair

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Clerk

